

KAISER ENGINEERS

DIVISION OF HENRY J. KAISER COMPANY
KAISER BUILDING . OAKLAND 12, CALIFORNIA
TELEPHONE TWINOAKS 3-4600

CABLE ADDRESS
"KAISENGS" OAKLAND

February 18, 1955

J. C. Boespflug Construction Company
1912 Fourth Avenue South
Seattle 4, Washington

Subject: Isaacson Iron Works
Contract No. 5340-24

Gentlemen:

We are enclosing our check in the amount of \$59,280.07 covering final payment to Isaacson Iron Works under their contract with Kaiser Gypsum Company, Inc. dated November 4, 1953 and bearing Contract No. 5340-24 which contract was assigned to your Company as a part of your prime construction contract.

We have reviewed the claim made to you by Isaacson Iron Works for additional compensation beyond the amount included in the enclosed check and it is our position that their claim lacks merit for the following reasons:

1. The steel contract is based upon unit prices for various items of steel and the right is given to increase or decrease the estimated poundage without increasing the unit price; therefore, we consider that Isaacson Iron Works is entitled to be paid for the total poundage of steel furnished at the contract unit prices and our check takes into consideration all of the extra poundage supplied.
2. The check also includes payment for all authorized field alterations.
3. The position of Isaacson Iron Works that they are entitled to additional compensation for the extra poundage of steel supplied appears to be based upon the theory that the extra poundage comes within the category of the "Changes" provision of the contract (Article 8). We are not in agreement with this position; and we must point out that in any event claims for extra compensation under that provision must be founded upon either the five-day contract requirement within which notification is to be given of any increased costs in the work after the change is directed, or at least some timely notice thereof other than after the completion of the contract. Because this job had been carefully budgeted we were legally entitled to be advised in the first instance that Isaacson Iron Works considered the extra steel poundage to be a change or alteration in the contract, and secondly, what the added costs would be for its performance.
4. Isaacson Iron Works is well aware that Kaiser Gypsum Company, Inc. spent considerable sums in expediting performance of this contract as the result of delays which were within the control of the steel fabricator to avoid. While we have no present intention of back-charging for any of these costs we feel it pertinent to mention them at this time.



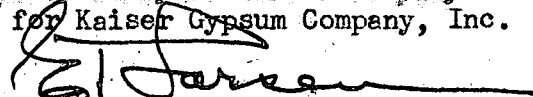
February 18, 1955

We request that delivery of your check to Isaacson Iron Works be made under the condition that its acceptance and negotiation be recognized as payment in full for all compensation due under their contract and will release and discharge your firm, Kaiser Gypsum Company, Inc. and Kaiser Engineers Division of Henry J. Kaiser Company, from any and all further liability or responsibility under the contract.

Very truly yours,

KAISER ENGINEERS

Division of Henry J. Kaiser Company
Agents for Kaiser Gypsum Company, Inc.



E. T. Larsen
Vice President

ETL:fep
Attach.

bc: C. E. Harper
W. A. Marsh
L. H. Oppenheim
Bryce Simpson ✓
H. J. Bernat
A. E. Forster